

HAZARDOUS MATERIALS MANAGEMENT FY 2001 ANNUAL PROGRAM PERFORMANCE REPORT

2/12/02

Introduction

The mission of the Hazardous Materials Management Program (HMMP) is:

- to improve and restore the environmental condition of facilities and lands under USDA jurisdiction, custody, and control by addressing contamination associated with sites releasing or with the potential to release hazardous materials and substances to the environment, primarily under provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Executive Orders 12580 and 13016;
- to seek compensation from, or cleanup by, those responsible for contamination; and
- to enhance USDA's environmental performance and the quality of the work environment for employees and cooperators through increased environmental awareness, compliance with applicable provisions of RCRA, and pursuit of related objectives of the Pollution Prevention Act (PPA) and the Emergency Planning and Community Right-to-Know Act (EPCRA).

This mission supports USDA Strategic Goal 3, Maintain and enhance the Nation's natural resources and environment, and USDA Strategic Goal 5, Operate an efficient, effective, and discrimination-free organization.

The HMMP was established at the Department level after a nationwide inventory of USDA facilities in 1985 found numerous inadequacies in the storage, handling, and disposal of hazardous substances and wastes and thousands of sites with releases or potential releases of hazardous substances. Cleanup of contamination is required at agricultural research and operations facilities, former grain storage facilities, abandoned mines and landfills, and trespass dumps. There are also occasional illegal drug lab sites and leaking underground fuel and chemical storage tanks. Many of these site problems are attributed to the activity of non-USDA parties on lands under USDA jurisdiction, custody, and control.

The Hazardous Materials Management Appropriation (HMMA) was established in 1988 to provide targeted funding for priority hazardous materials cleanup projects on facilities and lands under USDA jurisdiction, custody, and control and USDA's share of the costs of cleanup projects at non-USDA sites where USDA activities may have resulted in contamination. Agency funds and the HMMA are both used in meeting HMMP goals and objectives. Activities performed with HMMA funds are limited to those required by and conducted pursuant to CERCLA and the Resource Conservation and Recovery Act (RCRA).

The Hazardous Materials Policy Council (HMPC) was established in 1999 to provide Departmental leadership of the HMMP and to improve consistency in program management and execution across all USDA agencies. The HMPC consists of senior policy representatives from affected mission areas and agencies and is chaired by an appointee of the Secretary. The Agricultural Marketing Service, Animal and Plant Health Inspection Service, Agricultural Research Service, Farm and Foreign Agricultural Services, Forest Service (FS), Farm Service Agency (including the Commodity Credit Corporation), Food Safety and Inspection Service, Natural Resources Conservation Service, Office of the General Counsel (OGC), Rural Development, and Departmental Administration are currently represented on the HMPC. The Hazardous Materials Management Group (HMMG) serves as the program and technical staff for the HMPC.

Participants. This report was prepared by HMMG staff using data submitted by agencies listed above. Only Federal employees were involved in preparation of this annual program performance report.

Internet Address. This performance plan and other information on the HMMP can be accessed on the Internet at <http://www.usda.gov/da/hmmg>.

Performance Summary Table

Performance goals, indicators, targets, and results for the HMMP are summarized in the following table.

FY 2001 HMMP PERFORMANCE SUMMARY							
Strategic Goal/ Management Initiative	Performance Goals and Indicators	Performance in Fiscal Year					
		1998	1999	2000	2001		
					Target	Actual	Met?
Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.	Beginning in 1998 and by the end of 2002 complete the CERCLA cleanup of 150 sites and all regulated underground storage tanks (USTs) on lands and facilities under the custody and control of USDA as required by CERCLA and RCRA. (Cumulative CERCLA cleanups completed.)	27	66	90	118	137	Y
	Number of sites assessed/characterized on need for cleanup.	49	53	43	93	153	Y
	Number of cleanup plans completed.	4	9	6	36	65	Y
	Number of non-mine CERCLA cleanups completed.	15	32	15	17	32	Y
	Number of mine CERCLA cleanups completed.	12	7	9	11	15	Y
	Number of UST and other RCRA cleanups.	32	13	5	33	70	Y
	Number of agreements reached with potentially responsible parties (PRPs).	8	7	11	7	19	Y
	Estimated value of cleanup/restoration work performed by PRPs (\$millions).	\$104	\$34	\$11.5	\$10	\$11.4	Y
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.	Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.						
	Number of environmental audits and program reviews.	n/a	22	15	15	15	Y
	Number of P2 projects completed.	n/a	15	5	5	5	Y

Strategic Goal and Objective

Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.

Objective: Cleanup and restore facilities and lands contaminated from releases of hazardous substances and materials.

Performance Goal Table: Performance goals, indicators, targets, and results are provided in the table that follows:

<u>Beginning in 1998 and by the end of 2002, clean up 150 CERCLA sites and all regulated USTs on lands and facilities under USDA, jurisdiction, custody, and control.</u>	
Target¹:	118
Actual¹:	137
Number of sites assessed/characterized on the need for cleanup	
Target:	93
Actual:	153
¹ Targets and actual for the performance goal are cumulative, reflecting the sum of CERCLA cleanups completed in FYs 1998, 1999, 2000, plus the FY 2001 target or actual, respectively.	

Number of cleanup plans completed	Target: 36
	Actual: 65
Number of non-mine CERCLA cleanups completed	Target: 17
	Actual: 32
Number of mine CERCLA cleanups completed	Target: 11
	Actual: 15
Number of UST and other RCRA cleanups completed	Target: 33
	Actual: 70
Number of agreements reached with potentially responsible parties (PRPs)	Target: 7
	Actual: 19
Estimated value of cleanup/restoration work performed by PRPs	Target: \$10 million
	Actual: \$11.4 million

Data Assessment: USDA agencies identify funding priorities and performance targets as part of their HMMP budget requests. They show results in year-end obligations and accomplishment reports. The data management system they use for this reporting covers the entire budget cycle (i.e., needs identification through project completion), allowing for multi-year overview and performance analysis. Key reporting parameters include project name and location, specific activities needed and performed to complete the project, performance goals, priorities, status, and cost data. The agencies use a standard list of program activities with references to applicable authorities (e.g., the National Contingency Plan for CERCLA preliminary assessments, site inspections, and response actions) to ensure focus and consistency in reporting. This system serves as the framework within which USDA agencies develop project plans, set performance targets, and report results. At the end of each fiscal year, agencies report all ongoing HMMP activities, regardless of funding source, as either finished or ongoing (i.e., not finished). Only finished activities are reported here, although ongoing work constitutes a significant portion of the workload and utilization of resources. For example, while the agencies reported completing a total of 47 CERCLA environmental cleanups in FY 2001, well over 100 more appear in the data management system as underway but not yet complete. Most cleanups take more than one fiscal year to complete. Over 2000 additional environmental cleanups are anticipated to be required to complete the cleanup and restoration of facilities under USDA jurisdiction, custody, and control.

Completeness, Reliability, and Quality of Data: Data reported by USDA agencies is examined holistically by HMMG for gaps and logical inconsistencies (e.g., funds being requested or obligated in a later year than that in which the project activity was reported as being completed). HMMG resolves data deficiencies by examining the data and, when necessary, contacting agency personnel. Since all agencies reported their results for FY 2001 and detected data deficiencies were resolved, the data is believed to be complete and of acceptable quality. Attestations of completeness and accuracy by agency senior management render the data reliable.

To ensure proper accounting for HMMA funds, agency personnel also check financial data against National Finance Center records, reconciling discrepancies when necessary.

Analysis of Results: Beginning with the performance report for FY 2000, a change was made in the way performance targets and results in the cleanup program are reported. Environmental cleanups are identified as being performed pursuant to RCRA (e.g., UST cleanups, corrective actions, closures) or CERCLA, typically cleanup response actions. This makes it easier to determine which environmental cleanups contribute to the primary performance goal (i.e., completing 150 CERCLA cleanups by the end of FY 2002). Since FY 1999, CERCLA cleanups were subdivided into non-mine and mine cleanups to reflect Departmental policies on CERCLA compliance and for other management purposes.

The total of 137 CERCLA cleanups completed in fiscal years 1998 through 2001 indicates that USDA is likely to meet its performance goal of completing 150 CERCLA cleanups through 2002. The target for CERCLA cleanups in FY 2002 is 17.

USDA employs authorities under CERCLA and related executive orders to leverage funding in the cleanup program. Responsible parties performed or funded approximately \$11.4 million of cleanup work in FY 2001, compared to the target of \$10 million.

Preparation of cleanup plans is emerging as a potential bottleneck for the HMMP. A cleanup plan is needed for virtually every cleanup. It is during preparation of the cleanup plan that consultations with stakeholders, coordination with partners, and regulatory reviews and approvals occur. While 137 CERCLA cleanups were reported as having been completed in FYs 1998 through 2001, only 84 cleanup plans were completed during that time. Half of these plans were for relatively small sites at two facilities, one of which was a former Department of Defense facility. Management is turning its attention to bringing the production of cleanup plans into balance, but this will may result in a slowing of the pace of completion of cleanups. In practice, the HMMP has long been opportunistic, using program monitoring and a preference for cleanup of the highest priority and most damaging contamination over the more costly total remediation to reduce costs and extend available funds as far as possible. Program efficiency requires a constant balancing of investigation, cleanup planning, cleanup, and related activities.

This proactive approach has been effective. Very few USDA sites are on the Superfund National Priorities List, and very few cleanups are conducted by USDA under administrative or other orders initiated by federal and state regulatory agencies. However, USDA's proactive approach is dependent on the availability of funding to address priority work. In the longer term, USDA will almost certainly fall far short of its goal of having all cleanups completed by 2045, perhaps requiring over 100 years to complete the cleanup program. During FY 2000 and FY 2001, USDA and its agencies were named in a number of environmental enforcement actions over contamination attributed to USDA activities. Settlement of a small number of these suits resulted in the U.S. paying private parties in excess of \$2 million.

Current Year Performance: Performance targets for FY 2002 are summarized in the following table:

FY 2002 HMMP PERFORMANCE TARGETS		
Strategic Goal/ Management Initiative	Performance Goals and Indicators	Targets
Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.	Beginning in 1998 and by the end of 2002 complete the CERCLA cleanup of 150 sites and all regulated underground storage tanks (USTs) on lands and facilities under the custody and control of USDA as required by CERCLA and RCRA. (Cumulative CERCLA cleanups completed.)	154
	Number of sites assessed/characterized on need for cleanup.	109
	Number of cleanup plans completed.	64
	Number of non-mine CERCLA cleanups completed.	7
	Number of mine CERCLA cleanups completed.	10
	Number of UST and other RCRA cleanups.	15
	Number of agreements reached with potentially responsible parties (PRPs). Estimated value of cleanup/restoration work performed by PRPs (\$millions).	10 \$10

Overall, the HMMP is, given available HMMA and agency funding levels, proceeding at a fair pace, and the performance goal for CERCLA cleanups should be met or exceeded. However, current projections are that a very small number of UST cleanups – most likely one or two – will not be completed by the end of FY 2002 due to the nature and extent of contamination that must be cleaned up. Also, as noted above, the long-term goal of completing the cleanup program within a reasonable period of time is not likely to be attained, putting the Department and its agencies at risk from enforcement actions and lawsuits.

Budget Information: The FY 2001 HMMA budget was \$15.665 million. Over 97 percent of this amount was used in support of HMMP Strategic Goal #1. An unaudited and approximate breakout of FY 2001 HMMA funds use by major performance measures is shown in the table that follows:

FY01 HMMA Funding (\$000.0s)	Primary GPRA Performance Measure			All Other Program Activities	Totals
	Investigations	Cleanup plans	All Cleanups		
Allocated	\$3,089	\$2,195	\$4,962	\$5,419	\$15,665
Obligated*	\$3,632	\$2,940	\$4,546	\$5,158	\$16,274

* Includes obligations of prior-year carryover and cost-recovered funds.

The HMMA funds are no-year, and a vigorous effort is made each year to obligate all available HMMA funds, which may include funds recovered from PRPs for USDA response costs. Since FY 1999 the obligation rate has been over 95 percent. Cost recoveries in FYs 2000 and 2001 made it possible for obligations in FY01 to exceed allocations. Approximately \$465,000 of cost recovery was received in FY01. Most PRPs prefer to perform cleanups themselves under USDA supervision, so cost recovery may diminish in future years.

Program Evaluations: While individual projects were evaluated during FY 2001, no program-wide evaluations were conducted.

Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.

Objective: Improve regulatory compliance and reduce environmental contamination through pollution prevention and improvements in management practices.

Performance Goal Table

<u>Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.</u>	
Number of environmental audits and program reviews.	
Target:	15
Actual:	15
Number of P2 projects completed.	
Target:	5
Actual:	5

Data Assessment: As reported by USDA agencies, performance targets for FY 2001 were met. Because environmental audits and other program reviews represent management support for environmental compliance in USDA activities, information reported by the agencies is accepted without verification or validation. Pollution prevention projects seek to reduce or eliminate the use of toxic compounds and to achieve cost savings in the purchase or disposal of chemicals. Although the standard practices adopted by the private sector (e.g., calculation of cost savings, documentation of the payback period) for these projects has been recommended to the agencies, verification and validation of information they report to HMMG is not required, because the agencies are separately accountable for financial management. For this reason, data is believed to be complete, reliable, and of good quality.

Analysis of Results: The targets and performance goal were met.

Current Year Performance: Limited environmental auditing and pollution prevention activities will

6 _ 2/12/02

continue within the context of the HMMP in FY 2002. Increasingly, these activities are expected to be conducted within the framework of environmental management systems (EMSs). This subject is covered in the discussion of USDA Strategic Goal #5 in the Department's APPR.

Budget Information: Approximately two percent of HMMA funds are used in support of HMMP Strategic Goal #2.

Program Evaluations: While individual projects were evaluated during FY 2001, no program-wide evaluations were conducted.